



[Billing Code 7709-02]

PENSION BENEFIT GUARANTY CORPORATION

Proposed Submission of Information Collection for OMB Review; Comment Request; Annual Reporting (Form 5500 Series)

AGENCY: Pension Benefit Guaranty Corporation.

ACTION: Notice of intent to request extension of OMB approval, with modifications.

SUMMARY: The Pension Benefit Guaranty Corporation (PBGC) intends to request that the Office of Management and Budget (OMB) extend approval (with modifications), under the Paperwork Reduction Act of 1995, of its collection of information for Annual Reporting under OMB control number 1212-0057, which expires on August 31, 2020. This notice informs the public of PBGC's intent and solicits public comment on the collection of information.

DATES: Comments must be submitted by [INSERT DATE 60 DAYS AFTER PUBLICATION IN THE **FEDERAL REGISTER**].

ADDRESSES: Comments may be submitted by any of the following methods:

- Federal eRulemaking Portal: <http://www.regulations.gov>. Follow the website instructions for submitting comments.
- E-mail: paperwork.comments@pbgc.gov
- Mail or Hand Delivery: Regulatory Affairs Division, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005-4026.

PBGC will make all comments available on its website at <http://www.pbgc.gov>.

Copies of the collection of information and comments may be obtained without charge by writing to the Disclosure Division of the Office of the General Counsel, Pension Benefit

Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005-4026, or by calling 202-326-4040 during normal business hours. (TTY and TDD users may call the Federal relay service toll-free at 1-800-877-8339 and ask to be connected to 202-326-4040.)

FOR FURTHER INFORMATION CONTACT: Jo Amato Burns

(burns.jo.amato@pbgc.gov), Attorney, Regulatory Affairs Division, Office of the General Counsel, Pension Benefit Guaranty Corporation, 1200 K Street, NW., Washington, DC 20005-4026, 202-326-4400, extension 3072. (TTY and TDD users may call the Federal relay service toll-free at 800-877-8339 and ask to be connected to 202-326-4400, extension 3072.)

SUPPLEMENTARY INFORMATION: Annual reporting to the Internal Revenue Service (IRS), the Employee Benefits Security Administration (EBSA), and the Pension Benefit Guaranty Corporation (PBGC) is required by law for most employee benefit plans. For example, section 4065 of the Employee Retirement Income Security Act of 1974 requires annual reporting to PBGC for pension plans covered by title IV of ERISA. To accommodate these filing requirements, PBGC, IRS, and EBSA have jointly promulgated the Form 5500 Series, which includes the Form 5500 Annual Return/Report of Employee Benefit Plan and the Form 5500-SF Short Form Annual Return/Report of Small Employee Benefit Plan.

The collection of information has been approved by OMB under control number 1212-0057 through August 31, 2020. PBGC intends to request that OMB extend its approval, with modifications, for three years. An agency may not conduct or sponsor, and a person is not required to respond to, a collection of information unless it displays a currently valid OMB control number.

PBGC is proposing two modifications to the 2017 Schedule MB (Multiemployer Defined Benefit Plan Actuarial Information) instructions and one modification to the Schedule SB (Single

Employer Defined Benefit Plan Actuarial Information) instructions. These modifications affect multiemployer defined benefit plans and single-employer defined benefit plans covered by Title IV of ERISA.

With regard to the Schedule MB instructions, PBGC is proposing to change the instructions to require new attachments in two situations as explained below:

- If any of the contributions reported in Line 3 (Contributions Made to Plan) include amounts owed for withdrawal liability, PBGC is proposing to require plan administrators to report for each reported contribution (on an attachment to Line 3), the aggregate amount of withdrawal liability payments included in such contribution. This will enable PBGC to allocate the reported contributions between regular contributions and withdrawal liability payments and is consistent with intent of Line 3 to provide contribution information for projection purposes.

Ongoing contributions are expected annually from ongoing employers.

Withdrawal liability payments are contributions paid by employers who have withdrawn from the plan and thus, at some point, will stop contributing. Separating withdrawal payments from contributions will assist in projections of future ongoing contributions and also will provide information regarding withdrawing employers.

- For multiemployer plans in Critical or Critical and Declining status (i.e., where Code C (Critical Status) or Code D (Critical and Declining Status) is entered on Line 4b), the current Schedule MB instructions require that plans report the year a troubled multiemployer plan is projected to become insolvent or emerge from troubled status on Line 4f. However, there is no requirement to provide supporting documentation for these projections. PBGC is proposing that basic supporting documentation be

included as an attachment to Line 4f. Such plans would be required to report in the attachment:

- Year-by-year cash flow projections for the period ending with whichever is applicable: the year the plan is projected to emerge from Critical or Critical and Declining Status or the year the plan is projected to become insolvent, and
- A summary of the assumptions underlying these projections.

PBGC is proposing the addition of this information to enable PBGC to better project the impact on participants and PBGC's insurance system.

With regard to the Schedule SB instructions, PBGC is proposing to change the instructions related to an attachment that is currently required of plans for which the IRS has granted permission to use a substitute mortality table. The current instructions for Schedule SB, item 23, describe the information that is to be included in the attachment. Those instructions reflect the current IRS regulation on the use of substitute mortality tables, 26 CFR § 1.430(h)(3)-2. The proposed changes to the Schedule SB are based on amendments to the IRS mortality table regulations that are proposed to become effective on 1/1/2018. If the regulations are not effective on 1/1/2018, then the proposed changes to the Schedule SB will be deleted from the final Form 5500 instructions. PBGC is proposing to require plans to report additional information (consistent with the amended regulation) as part of the item 23 attachment. The addition of information will allow PBGC to reconstruct the substitute table for which the plan has sought IRS approval. This will enable PBGC to better predict future funding requirements and the impact on participants and the insurance system.

It is anticipated that the information requested by the proposed changes described above will be available to the plan and will merely require that the plan insert information it already has into the attachments described.

PBGC estimates that it will receive approximately 23,700 Form 5500 and Form 5500-SF filings per year under this collection of information. PBGC further estimates that the total annual burden of this collection of information will be 1,300 hours and \$1,613,000.

PBGC is soliciting public comments to —

- evaluate whether the proposed collection of information is necessary for the proper performance of the functions of the agency, including whether the information will have practical utility;
- evaluate the accuracy of the agency's estimate of the burden of the proposed collection of information, including the validity of the methodologies and assumptions used;
- enhance the quality, utility, and clarity of the information to be collected; and
- minimize the burden of the collection of information on those who are to respond, including through the use of appropriate automated, electronic, mechanical, or other technological collection techniques or other forms of information technology, e.g., permitting electronic submission of responses.

Issued in Washington, DC, by

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Pension Benefit Guaranty Corporation.